

# **FISCAL NOTE**

## **HB 1651 - SB 1870**

March 29, 2004

**SUMMARY OF BILL:** Requires the TennCare Bureau to administer the pharmacy program to qualify for manufacturer rebates of at least 15.1 percent or greater. The bureau must implement a state maximum allowable cost list for prescription drugs and establish a pharmacy and therapeutics committee. The governor would appoint the committee which would consist of physicians, pharmacists, and drug company representatives who participate in TennCare. The bill authorizes the TennCare Bureau to enter into arrangements that require manufacturers of generic drugs to provide rebates of at least 15.1 percent and to limit reimbursement for prescriptions to the cost of a generic drug. Patients would be required to pay for higher priced drugs.

### **ESTIMATED FISCAL IMPACT:**

#### **MINIMAL**

The TennCare program currently receives drug rebates in excess of 15.1 percent. The program utilizes a maximum allowable cost list for prescription drugs. The existing TennCare Pharmacy Advisory Committee will serve the same function as the pharmacy committee required by the bill.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director